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SENATE BILL 657

48TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2007

INTRODUCED BY

Ben D. Altamirano

AN ACT

RELATING TO PUBLIC FINANCE; CHANGING THE PURPOSE OF CERTAIN
AUTHORIZED REVENUE BONDS SO THAT THE PROCEEDS MAY BE USED FOR
COUNTY HEALTH FACILITIES; MAKING AN APPROPRIATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 6-21-6.7 NMSA 1978 (being Laws 2003,
Chapter 341, Section 5, as amended) is amended to read:

"6-21-6.7. CREDIT ENHANCEMENT ACCOUNT CREATED--USE OF
ACCOUNT--RELEASE OF MONEY TO THE GENERAL FUND.--

A. The "credit enhancement account" is created as a
separate account within the authority for use only as provided
in this section.

B. All cigarette tax proceeds distributed each
month to the authority pursuant to Subsection G of Section
7-1-6.11 NMSA 1978 shall be deposited in the credit enhancement

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1 account.

2 C. Amounts deposited in the credit enhancement
3 account may be pledged irrevocably as additional security for
4 the payment of the principal, interest, premiums and expenses
5 on bonds issued by the authority for:

6 (1) designing, constructing, equipping and
7 furnishing additions and improvements to the university of New
8 Mexico hospital and the cancer research and treatment center at
9 the university of New Mexico health sciences center; and

10 (2) land acquisition and the planning,
11 designing, construction and equipping of department of health
12 facilities or county health facilities or improvements to such
13 facilities.

14 D. The authority shall determine monthly upon
15 receipt of cigarette tax proceeds if the individual amounts of
16 cigarette tax proceeds distributed pursuant to Subsection E or
17 Subsection F, respectively, of Section 7-1-6.11 NMSA 1978 are
18 sufficient to meet the monthly amount required for immediate
19 payment or designation for payment of principal, interest,
20 premiums and expenses on bonds additionally secured by the
21 credit enhancement account. Any insufficient amount shall be
22 paid immediately from the credit enhancement account. A
23 payment from the credit enhancement account shall be reimbursed
24 in succeeding months from the individual amount of cigarette
25 tax proceeds distributed pursuant to Subsection E or Subsection

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1 F, as applicable, of Section 7-1-6.11 NMSA 1978 in excess of
2 the amount required for immediate payment or designation for
3 payment of principal, interest, premiums and expenses on bonds.
4 All money in the credit enhancement account in excess of the
5 monthly amount required for immediate payment or designation
6 for payment of principal, interest, premiums and expenses on
7 bonds shall be transferred monthly by the authority to the
8 general fund.

9 E. Upon payment of all principal, interest,
10 premiums and expenses on bonds additionally secured by a pledge
11 of amounts deposited in the credit enhancement account, the
12 authority shall certify to the secretary of taxation and
13 revenue that all obligations for bonds have been fully
14 discharged and shall direct the secretary of taxation and
15 revenue and the state treasurer to cease distributing cigarette
16 tax proceeds to the authority pursuant to Subsection G of
17 Section 7-1-6.11 NMSA 1978 and to distribute those cigarette
18 tax proceeds to the general fund.

19 F. Any law authorizing the imposition, collection
20 or distribution of the cigarette tax or that affects the
21 cigarette tax shall not be amended, repealed or otherwise
22 directly or indirectly modified so as to impair or reduce debt
23 service coverage for any outstanding revenue bonds that may be
24 secured by a pledge of those cigarette tax proceeds distributed
25 to the credit enhancement account, unless the revenue bonds

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1 have been discharged in full or provisions have been made for a
2 full discharge."

3 Section 2. Section 7-1-6.11 NMSA 1978 (being Laws 1983,
4 Chapter 211, Section 16, as amended) is amended to read:

5 "7-1-6.11. DISTRIBUTIONS OF CIGARETTE TAXES.--

6 A. A distribution pursuant to Section 7-1-6.1 NMSA
7 1978 shall be made to the county and municipality recreational
8 fund in an amount equal to one and thirty-five hundredths
9 percent of the net receipts, exclusive of penalties and
10 interest, attributable to the cigarette tax.

11 B. A distribution pursuant to Section 7-1-6.1 NMSA
12 1978 shall be made to the county and municipal cigarette tax
13 fund in an amount equal to two and sixty-nine hundredths
14 percent of the net receipts, exclusive of penalties and
15 interest, attributable to the cigarette tax.

16 C. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 shall be made to the cancer research and treatment center
18 at the university of New Mexico health sciences center in an
19 amount equal to one and thirty-five hundredths percent of the
20 net receipts, exclusive of penalties and interest, attributable
21 to the cigarette tax.

22 D. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 shall be made to the New Mexico finance authority in an
24 amount equal to two and two-hundredths percent of the net
25 receipts, exclusive of penalties and interest, attributable to

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1 the cigarette tax.

2 E. A distribution pursuant to Section 7-1-6.1 NMSA
3 1978 in an amount equal to fourteen and thirty-seven hundredths
4 percent of the net receipts, exclusive of penalties and
5 interest, attributable to the cigarette tax, shall be made, on
6 behalf of and for the benefit of the university of New Mexico
7 health sciences center, to the New Mexico finance authority.

8 F. A distribution pursuant to Section 7-1-6.1 NMSA
9 1978 in an amount equal to six and five-hundredths percent of
10 the net receipts, exclusive of penalties and interest,
11 attributable to the cigarette tax shall be made to the New
12 Mexico finance authority for land acquisition and the planning,
13 designing, construction and equipping of department of health
14 facilities or county health facilities or improvements to such
15 facilities.

16 G. A distribution pursuant to Section 7-1-6.1 NMSA
17 1978 in an amount equal to fifteen and seventy-nine hundredths
18 percent of the net receipts, exclusive of penalties and
19 interest, attributable to the cigarette tax shall be made to
20 the New Mexico finance authority for deposit in the credit
21 enhancement account created in the authority.

22 H. A distribution pursuant to Section 7-1-6.1 NMSA
23 1978 in an amount equal to one percent of the net receipts,
24 exclusive of penalties and interest, attributable to the
25 cigarette tax shall be made, on behalf of and for the benefit

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1 of the rural county cancer treatment fund, to the New Mexico
2 finance authority."

3 Section 3. Laws 2003, Chapter 341, Section 4, as amended
4 by Laws 2005, Chapter 320, Section 7, is amended to read:

5 "Section 4. NEW MEXICO FINANCE AUTHORITY REVENUE BONDS--
6 DEPARTMENT OF HEALTH FACILITIES--COUNTY HEALTH
7 FACILITIES--APPROPRIATION.--

8 A. The New Mexico finance authority may issue and
9 sell revenue bonds in compliance with the New Mexico Finance
10 Authority Act for projects authorized specifically by law for
11 land acquisition and the planning, designing, construction and
12 equipping of department of health facilities or county health
13 facilities or improvements to such facilities.

14 B. The New Mexico finance authority may issue and
15 sell revenue bonds authorized by this section when the
16 secretary of finance and administration certifies the need for
17 issuance of the bonds. For department of health facilities,
18 the net proceeds from the sale of the bonds are appropriated to
19 the capital program fund administered by the property control
20 division of the general services department for the purposes
21 described in Subsection A of this section, and for county
22 health facilities, the net proceeds from the sale of the bonds
23 are appropriated to the local government division of the
24 department of finance and administration for distribution to
25 the county for the purposes described in Subsection A of this

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1 section.

2 C. The cigarette tax proceeds distributed to the
3 New Mexico finance authority pursuant to Subsection F of
4 Section 7-1-6.11 NMSA 1978 shall be pledged irrevocably for the
5 payment of the principal, interest, premiums and related
6 expenses on the bonds and for payment of the expenses incurred
7 by the New Mexico finance authority related to the issuance,
8 sale and administration of the bonds.

9 D. The cigarette tax proceeds distributed to the
10 New Mexico finance authority pursuant to Subsection F of
11 Section 7-1-6.11 NMSA 1978 shall be deposited each month in a
12 separate fund or account of the authority. Money in the
13 separate fund or account in excess of the combined total of the
14 principal, interest and other expenses or obligations related
15 to the bonds coming due in that fiscal year is appropriated to
16 and shall be transferred to the capital program fund for
17 capital improvements to department of health facilities
18 recommended by the secretary of health and approved by the
19 secretary of finance and administration.

20 E. Upon payment of all principal, interest and
21 other expenses or obligations related to the bonds, the New
22 Mexico finance authority shall certify to the secretary of
23 taxation and revenue that all obligations for the bonds issued
24 pursuant to this section have been fully discharged and shall
25 direct the secretary of taxation and revenue and the state

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1 treasurer to cease distributing cigarette tax proceeds to the
2 authority pursuant to Subsection F of Section 7-1-6.11 NMSA
3 1978 and to distribute those cigarette tax proceeds to the
4 general fund.

5 F. Any law authorizing the imposition, collection
6 or distribution of the cigarette tax or that affects the
7 cigarette tax shall not be amended, repealed or otherwise
8 directly or indirectly modified so as to impair or reduce debt
9 service coverage for any outstanding revenue bonds that may be
10 secured by a pledge of those cigarette tax revenues, unless the
11 revenue bonds have been discharged in full or provisions have
12 been made for a full discharge.

13 G. The New Mexico finance authority may
14 additionally secure the revenue bonds issued pursuant to this
15 section by a pledge of money in the public project revolving
16 fund with a lien priority on the money in the public project
17 revolving fund as determined by the authority.

18 H. The New Mexico finance authority may purchase
19 revenue bonds issued pursuant to this section with money in the
20 public project revolving fund pursuant to the provisions of
21 Section 6-21-6 NMSA 1978."

22 Section 4. Laws 2005, Chapter 320, Section 8, as amended
23 by Laws 2006, Chapter 67, Section 1 and Laws 2006, Chapter 111,
24 Section 79, is amended to read:

25 "Section 8. AUTHORIZATION FOR REVENUE BONDS--DEPARTMENT
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1 OF HEALTH FACILITIES--COUNTY HEALTH FACILITIES.--Pursuant to
2 Laws 2003, Chapter 341, Section 4, as amended by Laws 2005,
3 Chapter 320, Section 7 and by Section 3 of this 2007 act, the
4 New Mexico finance authority may issue and sell revenue bonds
5 in compliance with the provisions of that section and the
6 provisions of the New Mexico Finance Authority Act in an amount
7 not exceeding thirty-nine million dollars (\$39,000,000) plus an
8 amount equal to the costs of issuing the revenue bonds for the
9 following purposes in the following amounts:

10 A. ten million three hundred thousand dollars
11 (\$10,300,000) for capital outlay projects for the southern New
12 Mexico rehabilitation center;

13 B. eleven million dollars (\$11,000,000) for capital
14 outlay projects for the New Mexico behavioral health institute
15 at Las Vegas;

16 C. four million dollars (\$4,000,000) for ~~[capital~~
17 ~~outlay projects for Fort Bayard medical center]~~ land
18 acquisition and the planning, designing, construction and
19 equipping of a county health facility for Grant county, the
20 primary purpose of which is to provide indigent medical
21 services; and

22 D. thirteen million seven hundred thousand dollars
23 (\$13,700,000) for use by the property control division of the
24 general services department for land acquisition and the
25 planning, designing, construction and equipping of a state

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1 laboratory facility in Bernalillo county for use by the
2 department of health."

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